



# **PLANNING COMMISSION AGENDA REPORT**

MEETING DATE: JULY 11, 2005

ITEM NUMBER: *III.1*

SUBJECT: PARCEL MAP PM-05-148  
3525 HYLAND AVENUE, COSTA MESA

DATE: JUNE 30, 2005

FOR FURTHER INFORMATION CONTACT: WENDY SHIH, ASSOCIATE PLANNER (714) 754-5136

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## **DESCRIPTION**

The applicant proposes a one-lot airspace subdivision of an existing industrial building for condominium purposes.

## **APPLICANT**

Rene Varga of Development Resource Consultants, Inc. is the authorized agent for the property owner, Hyland Partners LLP.

## **RECOMMENDATION**

Approve by adoption of Planning Commission resolution, subject to conditions.

WENDY SHIH  
Associate Planner

R. MICHAEL ROBINSON, AICP  
Asst. Development Services Director

**BACKGROUND/DISCUSSION**

The subject site is developed with an approximately 44,500 square foot, two-story industrial office building. The property is zoned MP (Industrial Park) with a General Plan designation of Industrial Park.

The applicant proposes a parcel map for a one-lot airspace subdivision of an existing building for condominiums. Other than interior building improvements, no physical changes to the property are proposed at this time. Since use and square footage of the building will remain the same, no parking impacts are anticipated. Approval of the map would allow division of the building and allow each tenant space to be sold separately.

Staff has included a condition that requires CC&Rs be recorded prior to the final map to ensure shared parking and access within the common lot, as well as to ensure common maintenance for the landscaping, driveway and parking spaces.

**ALTERNATIVE**

If the map were denied, the applicant would not be able to file a similar request for six months. The building could continue to be used and leased, but would be limited to a single ownership.

**ENVIRONMENTAL DETERMINATION**

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA.

**CONCLUSION**

Staff does not anticipate any significant land use impacts, provided the conditions of approval and code requirements are complied with. Approval of the parcel map will allow the legal subdivision of the existing development into industrial condominiums with common driveway access and shared parking spaces.

Attachments:       Draft PC Resolution  
                          Exhibit "A" – Draft Findings  
                          Exhibit "B" – Draft Conditions of Approval  
                          Location Map  
                          Proposed Tentative Parcel Map  
                          Applicant's Project Justification Form

cc:    Dep. City Mgr. - Dev. Svs. Director  
       Assistant City Attorney  
       City Engineer  
       Fire Protection Analyst  
       Staff (4)  
       File (2)

Rene Varga  
DRC  
8175 E. Kaiser Rd.  
Anaheim Hills, CA 92808

James V. Camp  
Hyland Partners LLC  
26 Corporate Pkwy., Ste. 260  
Newport Beach, CA 92660

File: 071105PM05148	Date: 062805	Time: 9:30 a.m.
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**RESOLUTION NO. 05-**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE  
CITY OF COSTA MESA APPROVING PARCEL MAP PM-05-  
148**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY  
RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by Rene Varga of Development Resource Consultants, Inc, authorized agent for Hyland Partners LLC, requesting approval of a one-lot subdivision of an existing industrial building located at 3525 Hyland Avenue in an MP (Industrial Park) zone;

WHEREAS, a duly noticed public hearing was held by the Planning Commission on July 11, 2005;

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", subject to the conditions in Exhibit "B," the Planning Commission hereby **APPROVES** Parcel Map PM-05-148 with respect to the property described above.

BE IT FURTHER RESOLVED that the Planning Commission does hereby find and determine the adoption of this Resolution is expressly predicated upon the activity as described in the staff report for Parcel Map PM-05-148 and upon the applicant's compliance with each and all of the conditions contained in Exhibit "B."

Any approval granted by this resolution shall be subject to review, modification, or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

**PASSED AND ADOPTED this 11<sup>th</sup> day of July 2005.**

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Chair, Costa Mesa Planning Commission

*H*

STATE OF CALIFORNIA   )  
  )ss  
COUNTY OF ORANGE    )

I, R. Michael Robinson, secretary to the Planning Commission of the City of Costa Mesa, do hereby certify that the foregoing Resolution was passed and adopted at a meeting of the City of Costa Mesa Planning Commission held on July 11, 2005, by the following votes:

AYES:       COMMISSIONERS

NOES:       COMMISSIONERS

ABSENT:     COMMISSIONERS

ABSTAIN:    COMMISSIONERS

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Secretary, Costa Mesa  
Planning Commission

**EXHIBIT "A"****FINDINGS**

- A. The proposed project complies with Costa Mesa Municipal Code Section 13-29 (e) because:
  - a. The proposed development and use is compatible and harmonious with uses both on-site as well as those on surrounding properties.
  - b. Safety and compatibility of the design of the buildings, parking areas, landscaping, luminaries, and other site features including functional aspects of the site development such as automobile and pedestrian circulation have been considered.
  - c. The project is consistent with the General Plan.
  - d. The planning application is for a project-specific case and does not establish a precedent for future development.
- B. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA.
- C. The project is exempt from Chapter IX, Article 11, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.
- D. The subdivision of the property for industrial condominiums is consistent with the City's General Plan and Zoning Code.
- E. The proposed use of the subdivision is for industrial/office uses which is compatible with the objectives, policies, general plan land use designation, and programs specified in the City of Costa Mesa 2000 General Plan.
- F. The subject property is physically suitable to accommodate Tentative Parcel Map PM-05-148 in terms of type, design, and density of development, and will not result in substantial environmental damage nor public health problems, based on compliance with the City's Zoning Code and General Plan.
- G. The design of the subdivision provides, to the extent feasible, for future passive or natural heating and cooling opportunities in the subdivision, as required by Government Code Section 66473.1.
- H. The subdivision will not unreasonably interfere with the free and complete exercise of the public entity and/or public utility rights-of-way and/or easements within the subdivision.
- I. The discharge of sewage from this subdivision into the public sewer system will not violate the requirements of the California Regional Water Quality Control Board pursuant to Division 7 (commencing with Section 13000 of the Water Code).

**EXHIBIT "B"**

**CONDITIONS OF APPROVAL**

- Plng. 1. The CC&Rs and articles of incorporation and bylaws of the Property Owners Association shall be reviewed and approved by the Planning Division prior to recordation. The CC&Rs shall establish a Property Owners' Association and shall provide for common use and maintenance of all parking spaces, driveways and landscaping. A copy of the recorded CC&Rs shall be submitted prior to map recordation.

# CITY OF COSTA MESA PLANNING APPLICATION

## PROJECT DESCRIPTION AND JUSTIFICATION

1. Project Address: *3525 Highland Ave  
Costa Mesa, CA*
2. Fully describe your request:  
*Tentative and Final Parcel Map For Condominium purposes.  
(See attached letter)*
3. Justification: *(See attached letter)*
  - A. For a Conditional Use Permit or Minor Conditional Use Permit: On a separate sheet, describe how the proposed use is substantially compatible with uses permitted in the same general area and how the proposed use would not be materially detrimental to other properties in the same area.
  - B. For a variance or Administrative Adjustment: On a separate sheet, describe the property's special circumstances, including size, shape, topography, location or surroundings that deprive the property of privileges enjoyed by other properties in the vicinity under the identical zoning classification due to strict application of the Zoning Code.
4. This project is: (check where appropriate)  
☐ In a flood zone. ☐ In the Redevelopment Area.  
☐ Subject to future street widening. ☐ In a Specific Plan Area.  
☐ Includes a drive-through facility.  
(Special notice requirements, pursuant to GC Section 65091 (d))
5. I have reviewed the HAZARDOUS WASTE AND SUBSTANCES SITES LIST reproduced on the rear of this page and have determined the project:  
☒ Is not included in the publication indicated above.

☐ Is included in the publication indicated above.

*Hyland Partners LLC  
By: Vort Development Manager, Inc.*  
\_\_\_\_\_  
Signature *S.V.P.*

*5/5/05*  
\_\_\_\_\_  
Date

RECEIVED  
CITY OF COSTA MESA  
DEVELOPMENT SERVICES DEPARTMENT

*May 23, 2005*





***Voit***

Development Company

May 4, 2005

One of The Voit Companies

26 Corporate Plaza

Suite 260

Newport Beach, California

92660

Tel 949.644.8648

Fax 949.644.8695

Offices in Los Angeles, Phoenix and  
San Diego

**Wendy Shih  
Associate Planner  
City of Costa Mesa  
P.O. Box 1200  
77 Fair Drive  
Costa Mesa, CA 92628-1200**

**Re: 3525 Hyland Office Condominiums**

**Dear Ms. Shih:**

**Voit Development Company recently purchased 3525 Hyland Avenue, an existing office building consisting of one, 2-story concrete tilt-up building. Voit has formed Hyland Partners, LLC for the purpose of converting this building from a for lease property to office condominiums. In this regard, I am pleased to submit the attached City Application Package for this project.**

**Background:**

**The office market in Costa Mesa consists of approximately 6.5 million square feet of space built over the past 20 years. The majority of this space is leased to multiple tenants within various buildings. Another major portion of space is owned by users who either occupy their entire building or sublease space. Over the past few years many smaller businesses have pursued ownership of their office space, partly due to historically low interest rates, but also as a desire to control rent and participate in property appreciation.**

**Since there is a very limited supply of small buildings for sale in Costa Mesa, as well as surrounding market areas, the conversion of existing office buildings to condominium ownership is providing an effective way to meet small business needs in the community. By adding this opportunity, Costa Mesa becomes a more attractive location option for these businesses and the jobs they bring. Hence, this project supports the City of Costa Mesa's objectives by actively promoting Costa Mesa as an employment center.**

**Office condo conversions, however, will be limited to the relatively small number of buildings that are designed to efficiently allow internal subdivision of space. Thus, office condominiums are not expected to measurably reduce the availability of lease space in the city.**

RECEIVED  
CITY OF COSTA MESA  
DEVELOPMENT SERVICES DEPARTMENT

MAY 2 8 2005  
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**Project Description:**

3525 Hyland Avenue ("Hyland Plaza") is an approximate 44,500 square foot, two-story office building originally built in 1988. Voit anticipates subdividing this building into approximately 28 individual suites on the top and bottom floors ranging in size from approximately 870 to 2,100 square feet. Construction of these suites is expected to occur over a 12 month period after obtaining tenant improvement building permits.

Voit Development Company's plan is to reconfigure the interior of the building to provide an array of office suite sizes based on prospective needs. There will be no exterior changes to the building design or construction, landscaping, parking or other common areas. All interior construction changes will be submitted separately to the City of Costa Mesa for standard tenant improvement building permits as appropriate. In addition, the project will continue to be managed by Voit under the project declaration of Covenants, Conditions and Restrictions.

**Schedule:**

The initial conversion work will occur at Hyland Plaza over an approximate 12 month period beginning as soon as possible after obtaining tenant improvement permits.

**Tenant Notifications:**

Office condominium conversions are not specifically addressed under Department of Real Estate regulations. There are no DRE or Subdivision Map Act requirements that commercial building tenants be notified, provided with relocation assistance or given first opportunity to purchase their suites. Nevertheless, please note that the property is currently 100% vacant.

**Approval Request:**

Voit Development Company, headquartered in Woodlands Hills, California, was founded in 1971 and has developed or acquired over \$1 billion in real estate assets. The company is well known in the Southern California commercial real estate industry for their outstanding projects and professionalism. This project will reflect Voit's high standards and will provide the Costa Mesa community with ownership opportunities for its businesses that are not currently available.

We look forward to working with you, your staff and the City in reviewing our project for approval.

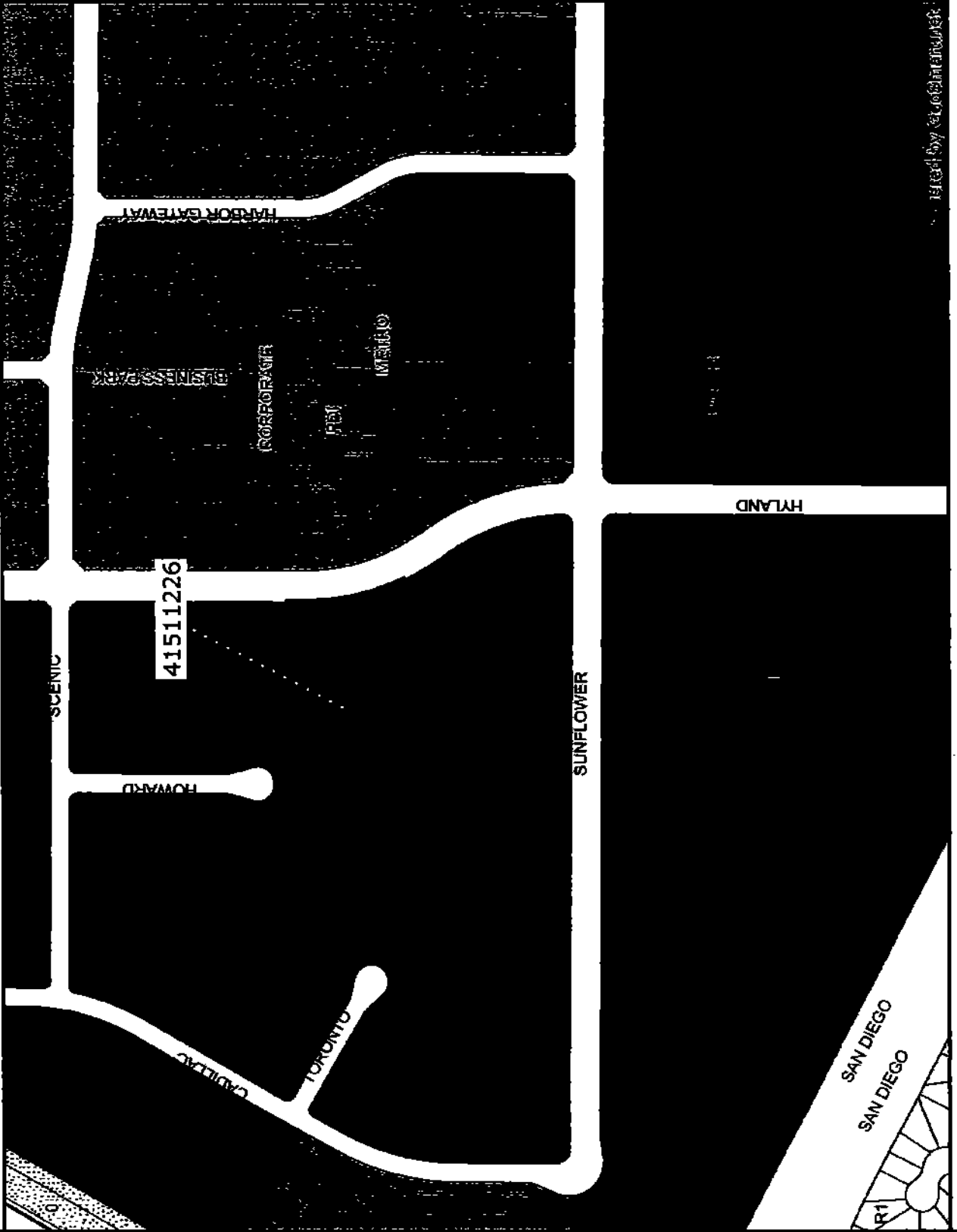
Sincerely,

VOIT DEVELOPMENT COMPANY

James V. Camp  
Senior Vice President

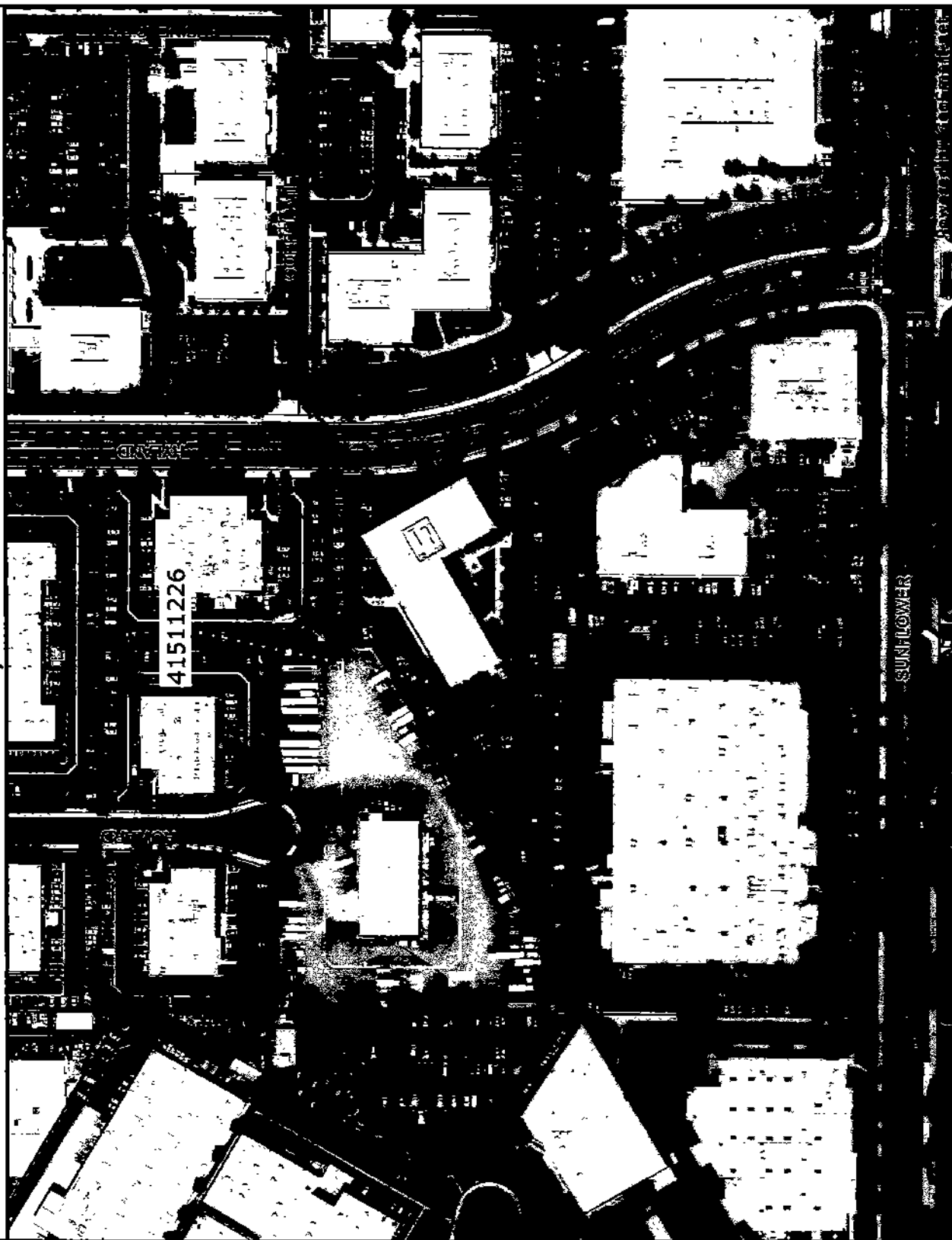
# ZONING/LOCATION MAP

3525 Hyland Avenue



# AERIAL PHOTOGRAPH

3525 Hyland Avenue



## Legend

Identified Features



Selected Features



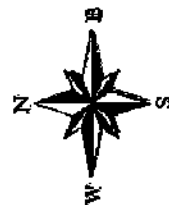
Street Names

Parcel Lines

City Boundary

Ortho Photography

Parcels



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